(c) This is not an MOU route project. As informed by the Government of Andhra Pradesh (GOAP), this is one of the short gestation projects conceived on the competitive bidding route. One of the conditions imposed in the global bids for short gestation projects was that the first unit of the power stations should become operational in 18 months from the date of signing of Power Purchase Agreement (PPA). The project has not achieved financial closure as yet due to the non-availability of a payment security mechanism.

(d) Considering that this project has offered the least tariff, least component of foreign debt servicing charges and best station heat rate among all the sanctioned projects in the State, and the high cost of naphtha, the Stale Government has proposed allocation of natural gas for the project with a view to expedite financial closure.

Installation of Power Project in Tripura

2858. SHRI KHAGEN DASS : Will the Minister of POWER be pleased to state:

(a)whether there is any proposal for installing of 500 MW power project in Tripura to be implemented by NEEPCO; and

(b)if so, the time-frame by which the project report will be prepared and project executed ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) and (b) During the Conference of Power Ministers' of North Eastern Region and Sikkim held at Guwahali in January, 2000, the State Government of Tripura requested for the execution of Combined Cycle Gas Based Thermal Project (500 MW) as a Central Sector Project through North Eastern Electric Power Corporation (NEEPCO).

Before the investment decision for the project is considered, completion of modalities like signing of Memorandum of Understanding between the State Government and NEEPCO, tying of gas linkages, obtaining the environmental and forest clearance as well as techno-cconomic clearance from the Central Electricity Authority would be required. In addition to the above, it will also be necessary to tie up funding arrangements and evacuation of power from the project. The project is envisaged to be completed in four years time after the investment approval is accorded to the Project.